

UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF PENNSYLVANIA  
READING DIVISION

In re: Gregory Buchanan  
Debtor

Chapter 13  
Bankruptcy No. 23-12406-PMM

Gregory Buchanan  
Plaintiff

v.

Township of Cumru  
Defendant

Adversary Proceeding No.

COMPLAINT SEEKING TO DETERMINE THE EXTENT AND VALIDITY OF SECURED STATUS OF CREDITOR  
UNDER 11 U.S.C. SECTIONS 502, 506

Debtor and Plaintiff, Gregory Buchanan, by and through his Counsel, Brenna H. Mendelsohn, Esquire and Mendelsohn & Mendelsohn, P.C., hereby files this Complaint Seeking to Determine the Extent and Validity of Secured Status of Creditor Under 11 U.S.C. Sections 502, 506, and in support thereof sets forth as follows:

1. Plaintiff, Gregory Buchanan is the Debtor in the above captioned Chapter 13 proceeding.
2. Defendant is Township of Cumru (hereinafter "Township") doing business in the Commonwealth of Pennsylvania.
3. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. Section 1334(b) as a proceeding under the Bankruptcy Code.
4. The matters set forth in this Complaint are core proceedings and may be heard by a Bankruptcy Judge pursuant to 28 U.S.C. Section 157(b)(2)(A) and (K).
5. This is an action brought under those provisions of the Bankruptcy Code, 11 U.S.C. Sections 502(b) and 506(a)(d), allowing the Plaintiff to determine the extent and validity of a Municipal lien allegedly held by the Township in the residence owned by the Debtor in fee simple, located at 4 Chaser Court, Reading, PA 19607 (hereinafter referred to as "the property").
6. Venue is proper in the Eastern District of Pennsylvania pursuant to 28 U.S.C. Section 1409.
7. On August 10, 2023, the debtor filed a Petition for Relief under Chapter 13 of the Bankruptcy Code.

8. Cumru Township has a municipal lien on the property which is judgment lien recorded on December 6, 2023 in the amount of \$5324.43 and accruing interest. The balance as of the Petition date was approximately \$5324.73.

9. The debtor has a First Mortgage against the property held by Village Capital & Investment, with an estimated payoff in the amount of \$225,000.00, a Second Mortgage with HUD in the amount of \$14,279.59, next are (4) separate judgment transcripts from Deerfield Homeowner's Association of approximately \$3500.00 plus interest, next is a judgment lien from Midland Funding LLC in the amount of \$2592.00 plus interest and next is a judgment lien from LVNV Funding, LLC in the amount of \$2639.81 plus interest.

10. The value of the property in its current condition is determined to be worth no greater than \$230,000 to 240,000.00. Schedule "AB" values the property at \$240,823.00. The property was recently looked at by a realtor, who provided a valuation of \$260,000 for comparable homes that are move-in ready and in great shape. However, Debtor's property is in poor condition and not move-in ready and would require a credit or reduction of \$20,000 to \$30,000 in value for the following reasons outlined by realtor below:

*I went to preview the property 1/15 at 6pm. The inside is in poor condition. The wooden deck boards are rotted to the point you can stick an object through some of them. Inside the flooring is very worn and shows sign of wear throughout, at the seams, as if years of liquid was spilled on them. Two of the bedrooms are carpeted and in very poor condition with permanent stains. The paint throughout the house, in many places has blemishes and stains. Also, there is no central Air as the compressor is missing.*

11. Based on the extensive work necessary and payment of the Mortgages and Judgment Liens in prior position, Debtor avers that is no equity to cover the payment of the Defendant's Municipal Lien.

WHEREFORE, Debtor requests judgment against Cumru Township's Municipal Lien declaring The Township of Cumru's Municipal Lien is unsecured and avoiding the Lien and declaring the same to be null and void.

Date: January 20, 2025

Respectfully Submitted,

By: /s/ Brenna H. Mendelsohn

Brenna H. Mendelsohn, Esquire

637 Walnut Street Reading, PA 19601